

BECKER LAW OFFICE  
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(Proposed) Attorneys for the Official Class 7 Committee

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

In re	)	CASE NO. 01-32495-TC
	)	(Jointly Administered)
AT HOME CORPORATION, a Delaware	)	
corporation,	)	Chapter 11
	)	
Debtors.	)	<b>DECLARATION OF MIKE J. KATTO IN</b>
	)	<b>SUPPORT OF APPLICATION BY THE</b>
	)	<b>CLASS 7 COMMITTEE FOR AUTHORITY</b>
	)	<b>TO EMPLOY BECKER LAW OFFICE AS</b>
	)	<b>ITS SUCCESSOR ATTORNEYS</b>
	)	
	)	Date: To Be Set

TO: The Honorable Thomas E. Carlson, Bankruptcy Judge

1. I am one of the two co-chairmen of the Official Class 7 Committee (hereinafter "the Committee") in this case, which committee was formerly known as the Official Committee of Equity Security Holders. Except as otherwise stated herein, I make this declaration on the basis of personal knowledge.

2. For approximately five years, the law firm of Sonnenschein Nath & Rosenthal, LLP (hereinafter "Sonnenschein") formerly represented the Committee in this case, and the lead attorney at Sonnenschein with which I dealt in my official capacity was Peter D. Wolfson,

1 who was a partner of Sonnenschein's. Because Mr. Wolfson failed and refused to follow certain  
2 instructions that I gave to him approximately two weeks ago as to the manner in which the  
3 Committee's position should be asserted in this case, which instructions I shall describe in more  
4 detail in this declaration, a conflict developed between Sonnenschein and the Committee, and the  
5 Committee determined that it would discharge Sonnenschein and obtain, subject to court approval,  
6 replacement counsel. The Committee has selected Becker Law Office (hereinafter "BLO") to  
7 replace Sonnenschein as its attorneys in this case, and, to that end, Sonnenschein filed a substitution  
8 of attorneys with this court. BLO has, on behalf of the Committee, filed an application (hereinafter  
9 "the Employment Application") seeking authority to engage BLO.

10 3. Richard A. Williamson (hereinafter "the Trustee"), acting as trustee under the  
11 Bondholders' Liquidating Trust (hereinafter "the BHLT"), which was formed pursuant to the  
12 debtor's confirmed liquidating plan of reorganization in this case, has requesting a hearing  
13 concerning the Employment Application. In his response to the Employment Application, the  
14 Trustee has stated that the BHLT does not object to appointment of BLO as attorneys for the  
15 Committee subject to two qualifications, which are as follows:

16 a. First, the order appointing BLO as attorneys for the Committee must  
17 state that "[s]ubstitution [of BLO for Sonnenschein] will in no way delay these proceedings," and

18 b. Second, the order appointing BLO as attorneys for the Committee  
19 must state that BLO cannot be compensated for familiarizing itself with "[A]t Home, the  
20 bankruptcy[,] and the claim against Cox and Comcast that the BHLT now seeks to resolve."

21 4. The Committee neither wishes nor intends to waive the attorney-client  
22 privilege concerning its communications with Mr. Wolfson and other Sonnenschein attorneys.  
23 Nevertheless, I can, and do, state that the conflict arose when Sonnesnschein refused to advance  
24 certain arguments, which the Committee believes were well-founded in both fact and law, that,  
25 among other things, the BHLT had failed to consider the best interests of the shareholders of the  
26 debtor At Home Corporation when it reached an \$80 million compromise (hereinafter "the  
27 Compromise") in certain litigation that it had commenced against Cox and Comcast, for which  
28 proposed compromise the BHLT will seek approval of this court in the very near future.

1                   5.       For reasons that it will explain in greater detail on another occasion, the  
2 Committee believes strongly that the Compromise should not be approved by this court for the  
3 simple reason that it fails to consider the best interest of all parties in interest in this case and, in  
4 particular those of the shareholders of At Home Corporation and furthermore that the BHLT has  
5 breached fiduciary duties that it owes to those shareholders.

6                   6.       The Committee would have retained Sonnenschein as its attorneys but for the  
7 fact that Sonnenschein refused to do what the Committee believed was necessary to advance  
8 arguments in opposition to approval of the Compromise. The Committee believes that it is entitled  
9 to the zealous and aggressive representation that Sonnenschein is now either unwilling or unable, or  
10 both, to render. The Committee further understands and expects that, in order for BLO to perform  
11 its rôle, it will require a reasonable period after the entry of an order authorizing its employment to  
12 become familiar with this case in order to present a meaningful, lucid, and persuasive opposition to  
13 the Compromise on behalf of the Committee. The Committee will, if necessary, attempt to resolve  
14 with the BHLT what such a reasonable period might be, assuming, of course, that the BHLT is  
15 prepared to discuss this subject with the Committee.

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1 VERIFICATION

2 STATE OF MICHIGAN, COUNTY OF OAKLAND

3 I have read the foregoing DECLARATION OF MIKE J. KATTO IN SUPPORT OF  
4 APPLICATION BY THE CLASS 7 COMMITTEE FOR AUTHORITY TO EMPLOY BECKER  
5 LAW OFFICE AS ITS SUCCESSOR ATTORNEYS and know its contents.

6 X CHECK APPLICABLE PARAGRAPH

7 **9** I am a party to this action. The matters stated in the foregoing document are true of my own  
8 knowledge except as to those matters which are stated on information and belief, and as to those  
9 matters I believe them to be true.

10 **:** I am co-chairman of Official Class 7 Committee, a party in interest in this case, and am  
11 authorized to make this verification for and on its behalf, and I make this verification for that  
12 reason. **9** I am informed and believe and on that ground allege that the matters stated in the  
13 foregoing document are true. **:** The matters stated in the foregoing document are true of my own  
14 knowledge except as to those matters which are stated on information and belief, and as to those  
15 matters I believe them to be true.

16 **9** I am one of the attorneys for \_\_\_\_\_, a party to this action. Such party is absent from the  
17 county where such attorneys have their offices, and I make this verification for and on behalf of that  
18 party for that reason. I am informed and believe and on that ground allege that the matters stated in  
19 the foregoing document are true.

20 Executed on November 2, 2007, at Troy, Michigan.

21 I declare under penalty of perjury under the laws of the State of California that the foregoing  
22 is true and correct.

23 Mike J. Katto  
24 Print Name of Signator

25 /s/ MIKE J. KATTO  
26 Signature

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, CITY AND COUNTY OF SAN FRANCISCO

3 I am employed in the City and County of San Francisco, State of California. I am over the  
4 age of 18 and not a party to the within action. My business address is P. O. Box 192991, San  
5 Francisco, California 94119-2991.

6 On November 5, 2007, I served the following document described as DECLARATION OF  
7 MIKE J. KATTO IN SUPPORT OF APPLICATION BY THE CLASS 7 COMMITTEE FOR  
8 AUTHORITY TO EMPLOY BECKER LAW OFFICE AS ITS SUCCESSOR ATTORNEYS on all  
9 interested parties in this action, as follows:

10 Attorneys for the Bondholders' Liquidating Trust

11 Joseph S. Allerhand, Esq.  
12 (212) 833-3607

13 Maxim B. Litvak, Esq.  
14 (415) 263-7010

15 (Former) Attorneys for the Class 7 Committee

16 Peter D. Wolfson, Esq.  
17 (212) 768-6800

18 I caused the foregoing document to be served by facsimile transmission from sending  
19 facsimile machine number (415) 362-7411 to each interested party at the facsimile machine  
20 telephone number shown. Each transmission was reported as complete and without error. A  
21 transmission report was properly issued by the sending facsimile machine for each interested party  
22 served.

23 I declare that I am employed in the office of a member of the bar of this court at whose  
24 direction the service was made.

25 Executed on November 5, 2007, at San Francisco, California.

26 /s/ STEPHEN C. BECKER  
27 Stephen C. Becker  
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